OFFICE of the Consul

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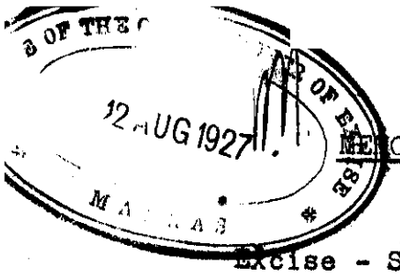

Revenue Department.

MEMORANDUM:- No.1597 D/27-2, dated 9th August 1927.

Excise - South Kanara District - Liquor, sugar and industrial alcoho
Manufacture - Distilleries - Establishment.

It has been suggested to the Government that the establishment of distilleries in the South Kanara district should be permitted with a view to utilize the large quantities of raw materials available in the district for the manufacture of - liquor, and industrial alcohol, with the necessary precautions for preventing intemperance and safeguarding the revenue to the Government. The Commissioner of Excise is requested to report fully on the feasibility or otherwise of giving effect to this suggestion.

A copy of a petition received from the inhabitants of South Kanara on the subject is enclosed for reference.

C.P.Karunakara Menon,
Assistant Secretary to Government.

To

The Commissioner of Excise.

F o r w a r d e d.

(By Order)

Karunakara M.A.
Superintendent.

Copy of Petition from the Inhabitants of the District of South Kanara.

Subject

The Establishment of Distilleries for the production of Liquor and Allied Industries in South Kanara.

We the undersigned inhabitants of the District of South Kanara beg to submit the following representation for the consideration of Government, our prayer being that Distilleries for the production of liquor as well as the bye products from the various materials available may be established in this District one in each Taluk at least.

Our object in making this prayer is by no means an increase in the consumption of liquor, but to give scope for industrial utilization of the various agricultural and horticultural productions which are now wasted. Our District is famous for its cocoanut and palmyrah plantations. Besides sugar-cane is grown largely in various parts of the District. From all of these sugar can also be manufactured, on a large scale along-side of which liquor and industrial alcohol can also be produced.

From experience it has been found that no sugar industry can prosper without the utilization of the bye-products for the purpose of manufacturing liquor and industrial alcohol and their sale. Another large material available in this district for the production of liquor is the cashew fruit. Cashew trees grew wildly all over our district. The Cashew-nut is now in great demand for foreign exportation to Europe and America especially after the opening of a factory for curing of cashew-nuts at Mangalore and the likely increase of more factories in various centres. There is now a movement to extent cashew plantations on a large an commercial scale. The fruits which are large and juicy will only be wasted unless they are used for distilling liquor and the production of a highly inflammable product like petrol or industrial alcohol.

Cashew liquor was popularly well-known for its medicinal virtues and was once in great demand in South Kanara. There are good reasons for it from the experience of many in the past. In

In the neighbouring Province of Goa, liquors of a very good quality are produced from cocoanut, cashew and palmyrah side by side and sold in liquor taverns separately without causing any confusion. These Geo-liquours are generally produced by private individuals in earthenware pot-stills, the quality of which is recognized to be really superior. There was a time within the memory of the passing generation of South Kanara when liquour of various above mentioned kinds and of similar superior quality were distilled in South Kanara. The Portugese Government is earning a large excise revenue from liquors produced in Goa while the people have the satisfaction of drinking country liquors of a pure and wholesome kind.

Compared to the good liquors people used to drink in this District in the past unfortunately now long past - and their brethren in Goa at present at cheap rates, we have now to drink discolour d and unwholesome country li manufactured at Nellikuppam and brought here over-proof in barrels and mixed with water thereafter on arrival. The quality of the liquor was until recently very inferi muddy coloured, unpleasant to taste and harmful to healt even when taken in small moderate quantities. The Revenue Board in its resolution No.R.274 Abkari dated 2-4-24 published in M.L.C. proceedings Vol.19 pp.477 in reply to the interpellations of Mr.J.A.Saldanha M.L.C. admitted that the discolouration of the liquor was due to the rust from steel barrels and drums used for the transport of strong O.P. liquor. Government then ordered that liquors shou be sent in wooden casks or regalvanized steel drums or barrels. We must confess that for some time after this, the liquor improved a bit both in quality and and appearance - the discolouration decreasing appreciably; but now recently the liquor that is sold in shops is as bad as before. We can never hope to drink really genuine Indian Liquor unless

We are allowed to produce locally out of the various materials easily available and now wasted. We can assure Government that if distilleries are opened in this District, there will be wide scope for the cultivation of sugar-cane, cocoanut, palmyrah and cashew on a very large scale especially having regard to the improved methods of cultivation introduced by the the agricultural Department. The large number of unemployed in the towns and villages will find great scope for employment in cultivation; and also in the production of jaggery and in the manufacture of sugar and liquor in factories and distilleries.

We are aware of the difficulties in the establishment of distilleries with a full equipment of machinery and appliances required under modern scientific methods but there can be found wealthy, enterprising industrialists here, who have made Mangalore a famous industrial centre, for starting presently a well-equipped distillery and sugar factory and additional ones later on at convenient centres.

One objection which may be raised is that this will be a means to tend to the increase of drunkeness, but it is well-known from experience of countries and places where liquour is extensively produced in Europe like France, Portugal, Italy, Scotland and Ireland, and In India at Goa and the French Possessions the drunkeness and crime arising therefrom is much less there than where liquor is not produced but is imported. We have not the slightest objection to the introduction of stringent measures for abating intemperance and encouraging temperance that may be approved by Government and the public. Our object is to have national industries being established as in Europe countries

out of materials locally grown and wasted and to provide employment to several thousands, which achievement can be accomplished side by side with temperance

We therefore pray that Government will be pleased to take early steps for granting license and facilities for the establishment of the industries of sugar, liquor and industrial alcohol manufactures which will tend to the economic development of our district which is now hard hit in its tile and and textile industries on account of the stringency of the money market and foreign competition.

Office.

Register No. 7495/17 dated

From The Cork Rev Co/s.

Memorandum No 1503 Dks-2 29.8.17

Subject.

S. Kanara Dt - establishment of local distilleries - petn.

To Report to Govt

THE

Proc.

The Comrs report that a petn similar to the one now forwarded by Govt was received by him in July 1916. After consulting both the Collr and the Asst and after carefully considering the whole question the Comrs decided not to accede to the petrs' request

2 The main grounds urged in the petn for starting distilleries in the Dt are (1) that the quality of the liquor now supplied to the Dt is bad and (2) that the opening of local distilleries will

afford wide scope for the utilisation of the large quantities of raw materials available in the Dt for the manufacture of liquor, and provide for the employment of a ~~large~~ no. of people. The arrack supply Contractors for the Dt are Messrs Harry & Co and the liquor is supplied from their distillery at Nellikuppam. In 1914, with a view to prevent the diversion of liquor issued to the Dt, instructions were issued to the distillers to use new barrels, or to regalvanize the old ones or to use wooden casks in the transport of liquor from the distillery to the warehouses in the Dt every care is being taken to see that the liquor issued to the warehouses is not diverted and any quantity found to be diverted or otherwise bad, on arrival at the warehouse is returned to the distillery for redistillation. The local officers have reported that there is no aversion in the Dt to the liquor supplied; on the other hand the fact that the liquor is extremely popular will be evident from the prevalence to a large extent of whitewashed casks of liquor in all the toddy

from which liquor can be manufactured, these fruits are at present eaten by ~~poor people~~ or ~~are fed to~~ given to Cattle; and the Cashew nuts for which there is always a demand in foreign markets are exported at good prices. The petrs' contention that these products are at present wasted does not ~~appear~~ seem to be correct. The Comms would in this connection point out that if Cashew arrack is permitted to be manufactured and sold in the Ds there will be a considerable fall in ~~revenue~~ + increase in I.D revenue. As it will be extremely difficult to differentiate between ~~licit~~ and illicit liquor and ~~stuff~~ the attention of Govt is invited to the Cs Report R No 2) 4 of 1948) 2.4.46 on the Ky question No 359.

4 In view of the circumstances mentioned in paras 2+3 above the Comms does not consider it necessary at this stage to call for objns from the public to the proposal to start local distys in the S. Kana

5. Another point urged in the pet is that permission may be granted for the manufacture of industrial alcohol. In this Presidency permission has

Shops of Mangalore and other towns in the Dt ~~is no~~ liquor disliked much doubt prevalent in the Dt to a considerable extent, but this is due not to any aversion to the liquor but to the fact that the liquor is much cheaper

5. Most of the Sugar Cane grown in the Dt is used for the manufacture of Jaggery and it is reported that the local Jaggery is not even sufficient to meet the demand of the Dt and that large quantities has to be imported from other places. As regards other raw materials, the palmyrah tree in the Dt are tapped at present for toddy which is ~~proposed~~ taken by the majority of the drinking Classes & in preference to arrack; a considerable no o tappers and their women folk all over the Dt are engaged in the manufacture of Jaggery from sweet juice drawn from palmyrah & Coconut trees As regards Cashew fruits

only to necessary ~~to~~, to
manufacture power alcohol for
working their
use in ~~their~~ National Engine and
to make experiments in its
manufacture with certain
denaturant. This spirit is
not to be placed on the market
and the experiments in its
manufacture are to be carried
on under the supervision of the
Do Melikyprann. If a local
only is permitted to be started
for the manufacture of Commercial
industrial alcohol the main
point to be considered is that
the grant of such a permission
with regard or whether the
manufacturers can ~~reasonably~~
expect anything like a reasonable
return for their product to
enable them to defray their
working expenses. The Commr
has grave doubts whether the
concern if started will be
able to withstand the Competition
of foreign products, not to
mention ~~local~~ exports from 4 other places
Local ~~state~~. The
facts have not shown that

existing supply of this alcohol
is insufficient to meet the demand
on fact this point was already put
to the factors by the Commrs but no
satisfactory reply has been received
from them so far. In the CS opinion
the inevitable result of starting
a local duty in the UK for the
manufacture of industrial alcohol
will be that the business will eventually
have to be closed down for lack
of sufficient demand.

17. In the above circumstances
the C. considers that the matter
deserves its consideration.

Ah 20/9/27 15/9/27 PL 16/9/27 MM. 16/9/27

Ah
13.9

DEPT. 21 SEP 1927

The Secretary to Govt
y. L.